

Ryobi Limited and Consolidated Subsidiaries**Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2013**

These consolidated financial statements are based on the Japanese financial statements submitted to the Tokyo Stock Exchange.

1. Consolidated Balance Sheets

	(Millions of yen)	
	March 31, 2012	June 30, 2012
ASSETS		
Current assets:		
Cash and deposits	18,694	22,159
Notes and accounts receivable	39,404	40,076
Marketable securities	5,894	8,693
Finished products and purchased goods	13,852	15,727
Work in process	10,057	9,582
Raw materials and supplies	6,813	7,186
Other current assets	4,354	4,961
Allowance for doubtful accounts	(42)	(24)
Total current assets	99,029	108,364
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (net)	17,951	21,053
Machinery and equipment (net)	21,629	23,220
Land	21,697	21,962
Construction in progress	11,287	11,893
Other fixed assets (net)	3,104	3,430
Total property, plant and equipment	75,669	81,561
Intangible fixed assets:		
Other intangible fixed assets	1,642	1,668
Total intangible fixed assets	1,642	1,668
Investments and other assets:		
Investment in securities	8,147	7,411
Other	3,258	3,488
Allowance for doubtful accounts	(53)	(54)
Total investments and other assets	11,353	10,846
Total fixed assets	88,665	94,075
Total assets	187,694	202,439

	(Millions of yen)	
	March 31, 2012	June 30, 2012
LIABILITIES		
Current liabilities:		
Notes and accounts payable	32,427	32,972
Short-term borrowings	28,541	28,768
Current portion of long-term debt	6,806	8,216
Income taxes payable	909	178
Accrued bonuses	1,605	500
Accrued bonuses to directors	32	-
Other current liabilities	11,670	15,548
Total current liabilities	81,994	86,183
Long-term liabilities:		
Long-term debt	22,158	32,331
Accrued severance indemnities	6,105	5,936
Other long-term liabilities	3,086	2,958
Total long-term liabilities	31,349	41,226
Total liabilities:	113,344	127,409
NET ASSETS		
Shareholders' equity:		
Common stock	18,472	18,472
Capital surplus	23,750	23,757
Retained earnings	42,810	42,383
Treasury stock	(2,360)	(2,333)
Total shareholders' equity	82,672	82,279
Accumulated other comprehensive loss:		
Unrealized gain on available-for-sale securities	1,969	1,495
Deferred loss on derivatives under hedge accounting	(36)	(42)
Land revaluation reserve	655	655
Foreign currency translation adjustments	(11,985)	(10,457)
Total accumulated other comprehensive loss	(9,396)	(8,349)
Minority interests		
Total net assets	74,350	75,029
Total liabilities and net assets	187,694	202,439

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**(1) Consolidated Statements of Income**

(Millions of yen)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Net sales	38,869	41,206
Cost of sales	32,085	34,940
Gross profit	6,783	6,266
Selling, general and administrative expenses	5,126	5,445
Operating income	1,657	821
Non-operating income		
Interest income	5	7
Dividends income	84	85
Rent income	101	101
Exchange gain	15	-
Gain on sale of scrap	34	39
Miscellaneous income	83	104
Total non-operating income	324	338
Non-operating expenses		
Interest expenses	237	284
Cash discounts	45	49
Exchange losses	-	7
Depreciation	28	18
Miscellaneous expenses	74	33
Total non-operating expenses	386	392
Ordinary income	1,595	766
Extraordinary income		
Gain on sale of fixed assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on disposal of fixed assets	14	37
Loss on devaluation of investment in securities	158	-
Total extraordinary losses	172	37
Income before income taxes and minority interests	1,425	729
Income taxes	478	128
Income before gain on minority interests	946	601
Gain (loss) on minority interests	(40)	58
Net income	987	543

(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Income before gain on minority interests	946	601
Other comprehensive income		
Unrealized gain on available-for-sale securities	2	(482)
Deferred loss on derivatives under hedge accounting	8	(6)
Foreign currency translation adjustments	359	1,527
Share of other comprehensive loss of associates accounted for using equity method	(0)	(1)
Total other comprehensive income	369	1,036
Comprehensive income	1,316	1,637
Comprehensive income attributable to:		
Owners of the parent	1,343	1,590
Minority interests	(27)	47

3. Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three Months Ended June 30, 2011	Three Months Ended June 30, 2012
Cash flows from operating activities:		
Income before income taxes and minority interests	1,425	729
Depreciation and amortization	2,314	2,252
Increase (decrease) in allowance for doubtful accounts	57	(17)
Decrease in reserve for bonuses	(1,058)	(1,105)
Decrease in accrued severance indemnities	(191)	(169)
Interest and dividends income	(90)	(92)
Interest expenses	237	284
Loss on sale or disposal of fixed assets	11	37
Increase in notes and accounts receivable	(522)	(213)
Increase in inventories	(697)	(1,291)
Increase in other current assets	(79)	(352)
Increase (decrease) in notes and accounts payable	(543)	170
Other increases in current liabilities	2,744	3,257
Other	45	(180)
Subtotal	3,652	3,311
Interest and dividends received	90	93
Interest paid	(249)	(234)
Income taxes paid	(2,154)	(905)
Net cash provided by operating activities	1,338	2,265
Cash flows from investing activities:		
Payment for purchases of property, plant and equipment	(3,780)	(5,787)
Proceeds from sale of property, plant and equipment	9	45
Payment for purchase of investment in securities	(4)	(4)
Payment for time deposits	(64)	(64)
Proceeds from repayment of time deposits	124	128
Other	(204)	(165)
Net cash used in investing activities	(3,920)	(5,848)
Cash flows from financing activities:		
Decrease in short-term borrowings, net	(191)	(391)
Proceeds from long-term debt	3,306	12,744
Repayment of long-term debt	(2,910)	(1,653)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(970)	(907)
Other	(94)	(90)
Net cash provided by (used in) financing activities	(859)	9,701
Foreign currency translation adjustments on cash and cash equivalents	70	209
Net increase (decrease) in cash and cash equivalents	(3,371)	6,327
Cash and cash equivalents at beginning of year	21,485	22,513
Cash and cash equivalents at end of the period	18,114	28,841

4. Segment Information

Industry Segment Information

For the Three Months Ended June 30, 2011

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	28,129	4,268	6,471	38,869	-	38,869
Intersegment	30	-	0	30	(30)	-
Total	28,159	4,268	6,471	38,900	(30)	38,869
Operating Income (Loss)	1,161	(208)	704	1,656	0	1,657

For the Three Months Ended June 30, 2012

(Millions of yen)

	Die Castings	Printing Equipment	Power Tools and Builders' Hardware	Total	Eliminations / Corporate	Consolidated
Net Sales:						
Unaffiliated Customers	31,003	3,843	6,360	41,206	-	41,206
Intersegment	31	-	0	31	(31)	-
Total	31,034	3,843	6,360	41,238	(31)	41,206
Operating Income (Loss)	640	(456)	638	821	(0)	821